

1 ALJ WALWYN: And isn't there also a cite in your
2 testimony -- I'll just bring it up after lunch.

3 Proceed.

4 MR. DAWSON: Q Okay.

5 Now, I take it from your cost comparison that
6 AT&T is providing costs for cages that are 400 square
7 feet, 200 square feet, and 100 square feet, is that
8 correct, from your exhibit?

9 A I would characterize the comparison as
10 providing, virtually, customer profiles and, yes, you
11 correctly suggested that those customer profiles assume
12 that an end user has ordered a 100 square foot cage for
13 the small, a 200 square foot cage for the medium, and a
14 400 square foot page for a large.

15 But again that's an attempt to give a picture
16 of customer profiles.

17 Q And has AT&T ordered, or is it planning to
18 order cages in the 400 square foot range?

19 A My understanding is, yes, that's taken place.

20 Q Is that a standard order?

21 A I don't know if there is such a thing as a
22 standard AT&T order.

23 Q Now, AT&T submitted its order for changes all
24 at one time, isn't that right?

25 A My understanding, as I testified earlier, was

26 that we previewed with both Pacific and GTE where -- what
27 our needs would be for 1999, and where there were tariffed
28 offices, applications were provided at the time.

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1 Q And then you came forward with applications for
2 many central offices at one time, is that right?

3 A It's a significant increase over previous
4 years, yes.

5 Q Now, is there a difference between a preview
6 and a forecast?

7 A Again, I think -- I would say we are mincing
8 words.

9 We were certainly serious in our intent, to my,
10 understanding, that these were valid requests as evidenced
11 by the fact that for the tariffed offices applications
12 were provided at the same time, and I understand that to
13 be about half of what the total requests were.

14 Again, that was limited to physical.

15 Q Now, over on your Exhibit -- this is in your
16 surrebuttal testimony --

17 ALJ WALWYN: Rebuttal.

18 MR. DAWSON: Q -- of February 8th.

19 A One moment, please.

20 MR. HURST: I think that's been relabeled
21 "rebuttal."

22 ALJ WALWYN: Yes.

23 MR. DAWSON: Has it? All right.

24 THE WITNESS: I have it, Mr. Dawson.

25 MR. DAWSON: Q Do you have it?

26 Just for clarification, does this comparison at
27 this time incorporate the changes that Pacific had made in
28 its -- well, let me ask another question.

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1 The column Pacific Bell Price Structure, does
2 that column come out of the your interconnection agreement
3 or does it come out of Pacific's filing in this
4 proceeding.

5 A It comes out of a filing in this proceeding,
6 and I would refer you to Mr. Johnson's testimony, RJ-2,
7 pages 3 and 4.

8 The pricing specific is noted in Footnote 4.
9 Those prices would be for SNFCC 805, San Francisco
10 office.

11 Q Okay.

12 Now, to the extent that the prices in these
13 columns are affected by Mr. McKinney's change in
14 testimony, does this exhibit reflect those changes?

15 MR. HURST: I'm going to object here your Honor.

16 Pacific has not yet provided the outputs for
17 the runs for all the offices, and so it's assuming facts
18 are in evidence that we could use to do the calculation
19 that he's asking Mr. Graczyk if he's done.

20 I think he needs to establish first that
21 Pacific has provided to us, or to any other party, the
22 outputs of the model runs that could have been used to
23 change the calculations in Mr. Graczyk's testimony before
24 they can ask questions about whether or not he changed
25 them.

26 MR. DAWSON: Your Honor, the only purpose of this
27 question is to get this exhibit lined up with the costs as
28 they stand.

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1 It's the only question I have on this exhibit.

2 It's not an exploration with Mr. Graczyk on how
3 Mr. McKinney's cost changes affect this exhibit.

4 ALJ WALWYN: I'll overrule the objection.

5 MR. DAWSON: Q Now, do you know, Mr. -- are you
6 familiar, Mr. Graczyk, at all with the interconnection
7 agreements between Pacific and AT&T?

8 A I have not reviewed those documents.

9 Q So would you know -- when you say that AT&T has
10 put in orders for the 400 square foot cages, would you
11 know whether those are being ordered under tariff or under
12 the interconnection agreement?

13 A No, I don't know for certain.

14 Q All right.

15 MR. DAWSON: Your Honor, at this time, I'm finished
16 with Mr. Graczyk, but I would like to have this
17 conversation with AT&T on the changes that they made to
18 the new EMG-1 with the opportunity to recall Mr. Graczyk
19 if we need to.

20 ALJ WALWYN: Okay.

21 We'll reserve that area of cross for you for
22 1:30.

23 And there's no one further to cross, is there?

24 (No response)

25 ALJ WALWYN: So we come to my questions now, and

26 I'll start mine.

27 ///

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1 EXAMINATION

2 BY ALJ WALWYN:

3 Q Mr. Graczyk, for the AT&T facilities in
4 California, what forms of collocation are offered at those
5 facilities?

6 A Your Honor, I don't know.

7 I don't have direct experience in what the
8 layout is or the processes are at our own central offices.

9 Q Could you tell me what facilities you have,
10 what central offices you have in California?

11 A Your Honor, I'm sorry.

12 Again, I would be happy to provide that
13 information, but I don't have personal direct knowledge.

14 Q Okay. If you could provide that.

15 The other area that I'm interested in is the
16 procedures you go about when a carrier -- now, what are
17 these central offices used for?

18 Are they providing local service or --

19 A My understanding that would be that they are
20 primarily used for toll services and it would be, in many
21 cases, legacy offices.

22 There are new central offices.

23 Part of the reason I characterize them as new
24 central offices with the acquisition of TCG we acquired
25 some new facilities, but my understanding is that

26 primarily what we have in place is being used for the
27 provision of toll and legacy services.
28 Q And you can't tell me exactly what services

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1 they're being used for?

2 Perhaps in this exhibit if you could indicate
3 that.

4 A Your Honor, I would ask for a little
5 clarification on services.

6 Perhaps I can be more helpful if I understand
7 clearly.

8 Wherever possible we offer our services over
9 our own facilities.

10 There is a huge array of AT&T services that are
11 offered.

12 Are you looking for general categories of
13 service?

14 Q Well, my understanding would be that in the
15 central offices you could offer all the services Pacific
16 and GTEC offer.

17 Now, if that's not true, I guess I would want
18 some clarification.

19 A I don't know that that is true, your Honor.

20 I would be happy to research that for you also.

21 Q Okay.

22 A I'm not certain personally.

23 MR. HURST: Your Honor, do you want us to provide a
24 narrative exhibit describing this?

25 ALJ WALWYN: That he would probably be best for my

26 understanding.

27 Q Then what I wanted, Mr. Graczyk, is what is the

28 process when someone requests collocation from you

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1 regarding how you give them a bid and work it up, in
2 particular going to the fact of if someone is requesting
3 collocation in your facilities. at the time they make that
4 request, do you allow them to tour your facility, look at
5 the space with your engineers; what kind of dispute
6 resolution do you have in place when you present them the
7 estimate that they can proceed to resolve it, and anything
8 regarding what the basis of the costs are, what kind of
9 breakout you give them.

10 That's a lot.

11 MR. HURST: Your Honor, could I make a suggestion *
12 suggestion on this?

13 ALJ WALWYN: Yes.

14 MR. HURST: Mr. Graczyk has to leave today.

15 He has a family and corporate obligations that
16 take him away, but since we are going into next week and
17 it will be Ms. Murray, Mr. Klick, and Mr. Turner that will
18 be up, to the extent that it would be helpful we could put
19 Mr. Graczyk back on the stand with a narrative description
20 of the responses to your questions and allow further
21 questions to take place.

22 ALJ WALWYN: Is that acceptable to the others?

23 MR. DAWSON: Well, I guess I would say that the
24 information gathering that you've requested can go forward
25 without Mr. Graczyk since he's mainly a company spokesman

1 to produce that material as soon as they can --

2 MR. HURST: Yes.

3 MR. DAWSON: -- with Mr. Graczyk to return next
4 week.

5 MR. HURST: Yes, we'll do that.

6 THE WITNESS: I apologize, your Honor.

7 ALJ WALWYN: Well, I think --

8 MR. HURST: Oh, I'm sorry. You're in Hawaii next
9 week.

10 THE WITNESS: I'm sorry. The Commission is keeping
11 me there through next week.

12 MR. HURST: But we will produce the material.

13 ALJ WALWYN: I think what we need to talk about,
14 then, at 1:30 is when you can produce the material and at
15 that point if there would need to be a witness designated.

16 MR. HURST: Okay.

17 ALJ WALWYN: Okay. And understanding Mr. Graczyk's
18 schedule.

19 MR. SELBY: Your Honor?

20 ALJ WALWYN: Yes.

21 MR. SELBY: Could I just be heard briefly?

22 In response to the questions that you have
23 asked, which I think all stem from a question that was
24 raised by Mr. Edwards, which really stems from a record
25 request that I made, which was how does GTE treat its

26 affiliates for collocation purposes, and I believe
27 Mr. Edwards was saying, well, since this information was
28 requested of GTE, then the requester, which he thought was

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1 AT&T, should provide the same information and you said,
2 well, we could check the transcript as to who made the
3 request, and I was the one who made the request.

4 And I just wanted to say that ICG, which does
5 offer cageless collocation to both Internet service
6 providers and to other carriers, would be more than happy
7 to provide information in response to each of the
8 questions that you have raised, not only in the manner in
9 which it offers collocation, and also the services that it
10 provides to carriers and Internet service providers.

11 And we would be happy to provide that in a
12 narrative and with a witness.

13 So whatever your Honor -- we may have more
14 experience with respect to collocation for other carriers
15 and Internet service providers than AT&T does.

16 So if that would be helpful to your Honor in
17 understanding what is possible, we would be pleased to
18 provide that information.

19 ALJ WALWYN: Thank you for your offer.

20 Why don't we discuss that at 3:30 today,
21 because this may be a lengthy discussion.

22 MR. SELBY: Sure.

23 ALJ WALWYN: Okay.

24 MR. EDWARDS: Your Honor?

25 ALJ WALWYN: And for now we'll go forward with

26 AT&T.

27 Mr. Edwards?

28 MR. EDWARDS: I was just going to ask, at 3:30 can

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1 we also put on your agenda a discussion for the same
2 information from MCI WorldCom?

3 ALJ WALWYN: Yes.

4 MR. BOWEN: I didn't want to feel left out, Jeff.

5 ALJ WALWYN: Well, I would say, and make it very
6 clear, all the joint testimony being sponsored, the list
7 of companies there, that would be what we'd talk about
8 today, and we'll talk at 3:30.

9 We'll adjourn for lunch till 1:30.

10 (Whereupon, at the hour of 11:47 a.m.,
11 a recess was taken until 1:30 p.m.)]

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1 AFTERNOON SESSION - 1:40 P.M.

2 * * * * *

3 ADMINISTRATIVE LAW JUDGE WALWYN: On the record.

4 Mr. Hurst?

5 MR. HURST: Thank you, your Honor.

6 Your Honor, in an off-the-record discussion

7 AT&T has proposed to change Exhibit 58-C, Attachment EMG-1

8 in the following manner:

9 We will blank out the pricing proposals for

10 the voice grade DS0, DS1, and DS3 circuits for physical,

11 common, virtual, and cageless collocation for Pacific Bell

12 and not be proposing a price for those four forms of

13 collocation for those elements.

14 Pacific -- it's our understanding that Pacific

15 has stipulated that whatever price is approved for voice

16 grade DS0, DS1, and DS3 circuits in the pricing phase of

17 the recurring -- of the UNE pricing phase of

18 this proceeding will apply to physical collocation, common

19 collocation, cageless and virtual collocation.

20 And I will provide a corrected exhibit

21 first thing tomorrow morning.

22 ALJ WALWYN: Okay.

23 Mr. Dawson?

24 MR. DAWSON: I have nothing further to add,

25 your Honor.

26 ALJ WALWYN: Okay.

27 EUGENE M. GRACZYK

28 resumed the stand and testified further as follows:

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1 ALJ WALWYN: We will proceed then.

2 I've completed my questions.

3 You were going to see whether you had any
4 additional questions based on the exhibit.

5 MR. DAWSON: Right.

6 Based on our discussion that we've just had
7 now, I will not have further questions of Mr. Graczyk.

8 ALJ WALWYN: Okay.

9 Do you have redirect?

10 MR. HURST: Yes, your Honor. I have one redirect.

11 REDIRECT EXAMINATION

12 BY MR. HURST:

13 Q Mr. Graczyk, you were -- you were questioned
14 by counsel for GTE about whether you had done any
15 investigation into the prices that incumbents charge
16 in other states relative to what's proposed in this
17 proceeding.

18 And you answered, yes, but that by
19 "incumbents," you weren't -- you had not done any specific
20 study for GTE.

21 Had you, in that analysis, identified
22 the price relationships for other incumbents?

23 A Under my supervision, Diane Toomey of my group
24 has compared the results of those states that we are aware
25 of that have issued final decisions compared to the

26 proposals from the incumbents.

27 And in most cases, your Honor, that would not

28 include GTE. But the orders that we looked at covered

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1 simply the ILECs such as the RBOCs.

2 In every state that we are aware of that has
3 a final decision, the collocation prices that had been
4 adopted are state -- are single statewide average prices
5 as opposed to central office based pricing. They
6 generally are closer to the prices proposed by AT&T or MCI
7 in the CCM model.

8 If the model itself has not been adopted, I
9 would say maybe 20 to 30 percent higher or were within
10 that range of the prices that the model produced. But
11 they are in all cases significantly lower than
12 the original prices proposed by the ILECs in those
13 proceedings.

14 Q Do you have a -- do you have a rough list of
15 the states that Ms. Toomey reviewed?

16 A Subject to check, I believe that Ms. Toomey has
17 analyzed New York, Texas, Georgia, Florida, and Minnesota.

18 But I don't think Minnesota is a final order
19 yet.

20 MR. HURST: I have no further questions,
21 your Honor.

22 ALJ WALWYN: Are there any questions on that?

23 MR. EDWARDS: Yes, ma'am.

24 ALJ WALWYN: Mr. Edwards.

25 RECROSS-EXAMINATION

26 BY MR. EDWARDS:

27 Q Just so I understand, you know that none of

28 those proposed -- or none of those collocation prices

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